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09/488,107	01/20/2000	Warren E. Friss	23616.01	3969

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EXAMINER

PATEL, JAGDISH

ART UNIT

PAPER NUMBER

3624

DATE MAILED: 05/17/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/488,107

Applicant(s)

FRISS ET AL.

Examiner

JAGDISH N PATEL

Art Unit

2164

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 08 March 2002.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 33-38, 41, 48-52 and 54-70 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) 62-70 is/are allowed.
- 6) ☐ Claim(s) 33-38, 41, 48-52 and 54-61 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some \* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).  
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_ 6) ☐ Other: \_\_\_\_\_

### **DETAILED ACTION**

1. This communication is in response to the amendment filed 3/8/02.

#### ***Continued Examination Under 37 CFR 1.114***

2. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 3/8/02 has been entered.

#### ***Response to Amendment***

3. Claims 39,40,42 and 53 have been canceled. New claim 70 has been added. Claims 33-38, 41, 43-52 and 54-70 are pending.
4. Claims 33,37,41,48-52,54-58,62 and 69 have been amended per request.

#### ***Response to Arguments***

5. In response to the applicant's arguments and the amendments Prior art rejections of claims 49-57 have been withdrawn.
6. Applicant's arguments with respect claim 33-38, 41, 43-48 and 58-61 have been considered but are moot in view of the new ground(s) of rejection.
7. Claims 62-70 are allowed.

***Claim Rejections - 35 USC § 112***

8. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

9. Claims 49-52 and 54-57 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

10. Claim 49 recites the limitation "each of **the** potential purchasers" in line 1. There is insufficient antecedent basis for this limitation in the claim. The examiner has interpreted it to read "each of a plurality of potential purchasers".

11. Furthermore, Claim 51 is erroneously indicated as being dependent on claim 77. There is no such claim.

Claim 51 is interpreted as being dependent on claim 50.

12. Claim 49 is directed to a method of "operating a server to facilitate each of a plurality of potential purchasers to transmit over a network at least one order for collectibles to the server". The claim limitations fail to recite method steps which incorporate limitations that recite transmission of at least one order for collectibles over the network to the server and communication of an initial placement of a predetermined number of collectibles over the network to the potential purchasers. The steps are essential to accomplish the objective of the invention.

13. Claim 49 recites in step d) "creating in response to a received order....". Is this received order different than "at least one order" recited in step c)? Please correct as appropriate.

The above discussion also applies to dependent claims 50-52 and 54-57.

***Claim Rejections - 35 USC § 103***

14. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

15. Claims 33-38, 41,43-48 and 58-61 are rejected under 35 U.S.C. 103(a) as being unpatentable over "The Stock Exchange of Hong Kong Limited", Practice Note 18, June 1998. (hereafter referred to as "The Stock Exchange") or alternatively over the admitted prior art as discussed as Background of the Invention on p.3 – p 4 of the specification (hereafter "Prior Art").

Claim 33: The Stock Exchange teaches a method of managing an initial public offering of shares of a stock (securities) for sale, said method carried out on a programmable computer to effect the following steps:

a) communicating an initial offering for sale to potential purchasers of a predetermined number of shares (Title and para 3.1 L1 The total number of securities available is communicated in an initial public offer of securities) which

involve first determining number of shares to be offered to individuals or entities who place orders to purchase desired number of shares);

(Prior Art: p. 3 IPO)

b) receiving orders from the ordering potential purchasers, each order indicating the numbers of shares orders by its purchaser (para 3.1 L1 public subscription involves receiving orders from potential purchasers as claimed, as indicated by the amounts the number of shares as indicated by each potential purchaser);

(Prior Art: p.3 "purchasers place orders for a given number of shares")

c) summing up the ordered collectibles from the received orders to provide total number of collectibles (para 3.1 refers to "securities... should be allocated on an equitable basis to applicants.." which requires that first the total number of requested securities be determined);

(Prior Art: a requisite step in order to allocate shares with the intervention of the broker when "a purchaser is nor allocated the requested number of share") and

d) determining whether the total number of ordered shares has a predetermined relationship to the predetermined number of offered shares and, if so, allocating the predetermined offered shares among selected of the ordering purchasers (para 3.1 the securities are allocated on an equitable basis to the applicants who have applied for securities in the value of KH\$5 million or less. Allocation on "equitable" basis requires that in the event of over subscription (i.e. if ordered

security exceed number of offered securities) the available securities (in pool B) be distributed or allocated equitably).

(Prior Art: Often due to demand..broker allocates them..)

The Stock Exchange and the Prior Art references cited above covers initial (public) offering of securities with arrangement recited by the claim limitations (a) – (d) as explained above. Although not explicitly suggested by the reference, this mechanism can also be applied for initial public offering of collectibles (sports cards, rare coins or like) or like commodities in a similar fashion as securities *because both securities and collectibles are tradable commodities*. It would have been obvious, therefore, to one of ordinary skill in the art at the time of the invention to develop a method for offering of collectibles for sale in the manner as tradable securities as explained above because it would facilitate trading of collectibles in the same manner as securities through an organized market place wherein a plurality of purchasers may participate in the initial offering of collectibles or commodities.

Claim 34. Offering for sale certain of the allocated collectibles on a secondary market at the direction of the purchasers.. (p. 4 of the disclosure, at a later time...in the secondary market).

Claim 35: collectibles comprise trading cards (within the scope of collectibles as discussed in claim 1 analysis).

Claim 36: initial offering is carried out for first selected, predetermined period of time (inherent in any initial public offer of the securities).

Claims 37 and 38: offering for sale on said secondary market is carried out for a second selected period of time and second period of time is greater than the first period of time (this feature is inherent because when the collectibles are offered like securities the collectible good is offered in a secondary market until the all or a desired part of the collectibles is sold out, also because of the variation of time periods second period of time may be greater than the first period of time because fewer purchasers take part in the secondary offer).

Claim 41: if said number of collectibles exceed said predetermined number of collectibles, said step of allocating reduces the number of collectibles to be allocated to selected of the ordering purchasers in accordance with a predefined algorithm (p.4 top para "allocates in accordance with the well known algorithm").

Claim 43. step of maintaining a record of purchasing activity of each purchaser, said algorithm allocating the number of collectibles to certain purchaser as a direct function of the magnitude of said purchasing activity of the certain purchaser (p.4 top para "rewarding his/her best clients")

Claim 44: providing lots of collectibles for offering for sale (refer to lots of offered securities, p. 4 top paragraph in view of claim 1 analysis).

Claim 46: enabling the purchasers of collectibles... to elect to have an offering for sale administration hold their purchased collectibles in escrow (p. 4 top paragraph "broker may escrow" top paragraph in view of claim 1 analysis).

Claim 47 and 48: providing a purchaser history database for keeping a record of each purchaser that has placed an order in course of said public offering of collectible



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for sale, and updating data indicative of each collectible held in escrow in that record of purchaser holding the escrowed collectibles (p. 4 top paragraph, since the broker escrows the security shares of a particular client for sale in a secondary market, the purchaser history database as recited is inherent in order to the broker to facilitate the sale of the security in the secondary market).

16. Claims 58-61 are rejected under 35 U.S.C. 103(a) as being unpatentable over admitted prior art in the disclosure as applied to claims 33 above, and further in view of Ferstenberg et al. (US Pat. 5,873,071)

Claims 58 is analyzed as in corresponding method claim 33 (steps 1. offering for sale, 2. determine number of collectibles, 3. determine whether the number of ordered collectibles exceeds the predetermined number and 4. allocating the predetermined number..among the purchasers) and claim 48 (purchaser history database).

The prior art discussed in the disclosure as presented in analysis of claim 33 fails to teach that the process steps of claim 58 are implemented in a server as recited in the claim. However, initial public offering (IPO) of commodities over a communication network is well known wherein a server connected to a plurality of customer systems via the network (operated by a financial institution or broker) performs transaction activities and maintains database records pertaining to the accounts of customers who participate in the IPO. As an exemplary reference in the same field of endeavor, Ferstenberg teaches a server designed to support a plurality of remote system operable by a purchaser to transmit over a network to the server orders for collectibles (commodities)

(Fig. 4 participants who wishes to exchange commodities 47 are supported by electronic intermediary 3 via communication network 55 , refer to col. 15 L 62- col. 16 L4).

It would have been obvious to one of ordinary skill of art at the time of the invention to implement the method of managing the initial placement of collectibles as disclosed in references of the prior art to be implemented on a server having a network link to support to a plurality of remote systems (participants) as per Ferstenberg teaching and to implement the supporting program in the server having the functions therein as per claim 58, because, the resulting system would allow easy access of the server to the purchasers, would automate the record keeping, improve accuracy and efficiency of the initial placement of the collectibles.

Claim 59 update said record of the identified purchaser (p. 4 of disclosure, lines 4-8 rewarding his/her best client require that the broker who administers the initial offering has the prior purchase history if a specified purchaser).

Claim 60 updates records of said purchaser with data indicative of the collectibles allocated during the initial placement (p. 4 of disclosure, L 8-10, At a later time the client will sell ....on a secondary market, through his/her broker, the shares purchased on the primary market, this recitation inherently teaches that the broker update records of the purchaser as claimed).

Claim 61 ...respond to messages from certain of the purchasers to place in escrow selected of their collectibles that were allocated during the initial placement, by

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updating said records of certain purchasers with data indicative of the collectibles in escrow (p. 4 of disclosure, L 7-10, after the initial offering the broker may escrow..).

***Allowable Subject Matter***

17. Claims 62-70 are allowed.

18. The following is a statement of reasons for the indication of allowable subject matter:

Claims 62-69 are allowed because prior art of record fails to teach or suggest a method of managing uncalculated collectibles on a primary market and on a secondary market and the maintenance of the collectibles in their uncirculated in protective environment carried out on a programmed computer which effect communicating with each of the purchasers who has purchased uncirculated collectible a message prompting such purchasers to effect selected of the following: i) to keep their purchased uncirculated collectibles in the protective environment, ii) offer for sale on the secondary market (not applicable to claim 69) and iii) forward the identified uncirculated collectibles to the corresponding purchaser.

Claim 70 is allowed because prior art of record fails to teach or suggest a method of managing an initial offering of collectible for sale carried out on a programmed computer which effect the step of determining whether the number of ordered collectibles exceeds the predetermined number of offered and, if so, allocating the predetermined number of collectibles among the ordering purchasers by reducing the number of collectibles to be allocated to selected of the ordering purchasers in

accordance with a predefined algorithm which increases the number of collectibles to be allocated to a certain purchaser as an inverse function of time occurring between the certain time and the time when an order was received from the purchaser.

### ***Conclusion***

19. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Kenndedy et al. (US 6,167,380) discloses a method for allocating manufactured products to fulfill customer requests using a predefined allocation policy.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jagdish Patel whose telephone number is (703) 308-7837. The examiner can normally be reached Monday-Thursday from 8:00 AM to 6:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin, can be reached at (703) 308-1038. The fax number for Formal or Official faxes to Technology Center 2100 is (703) 746-7239 or 7238. Draft or Informal faxes for this Art Unit can be submitted to (703) 746-7240. **Draft faxes may also be submitted directly to the examiner at (703) 746-5563.**

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 305-3900.



Jagdish N. Patel

(Examiner, AU 2164)

May 13, 2002